

CALIFORNIA STUDENT AID COMMISSION
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AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS
REGARDING IMPLEMENTATION OF STATE NURSING ASSUMPTION PROGRAM OF
LOANS FOR EDUCATION (Educ. Code §§ 69616-69617)

PROPOSED TEXT

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Article 16. State Nursing Assumption Program of Loans for Education

Section 30910. Definitions

- (a) *“Academic year” means a period from July 1 of one calendar year through June 30th of the following calendar year.*
- (b) *“Accredited college or university” means a college or university that has been accredited by a regional accrediting body, including, but not limited to, Middle States Association of Colleges and Schools, The Northwest Commission on Colleges and Universities, North Central Association of Colleges and Schools, New England Association of Schools and Colleges, Inc./Commission on Institutions of Higher Education, Southern Association of Colleges and Schools/Commission on Colleges – SACS-CC, and Western Association of Schools and Colleges/Accrediting Commission for Senior Colleges and Universities.*
- (c) *“Accredited California college or university” means an accredited college or university with a location in California.*
- (d) *“Demonstrated academic ability” means academic standing consistent with the requirements established by the accredited college or university for satisfactory progress toward graduation or the award of the graduate degree.*
- (e) *“Demonstrated financial need” means financial need as determined under Article 1.5 (commencing with Section 69503) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.*
- (f) *“Eligible noncitizen” means a United States resident as defined for financial aid purposes under Title IV of the federal Higher Education Act of 1965.*
- (g) *“Full-time” and “full-time basis” means full-time employment, as determined by the employing accredited California college or university.*

(h) *“Other natural causes” means a disease, or physical or mental condition involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993.*

(i) *“Part-time” and “part-time basis” means part-time employment, as determined by the employing accredited California college or university.*

(j) *“Participating institution” means an accredited college or university that has elected to participate in the program by submitting nominations of students to the Commission under the provisions of this Article.*

(k) *“Program” means the State Nursing Assumption Program of Loans for Education established in Article 5.6 (commencing with section 69616) of Chapter 2 of Part 42 of Division 5 of Title 3 of the California Code of Education and as set forth in this Article.*

(l) *“Program participant” means a student who has a loan assumption agreement signed by both the student and the Commission.*

(m) *“Satisfactory academic progress” means academic standing consistent with the requirements of the accredited college or university for satisfactory progress toward the award of the graduate degree.*

(n) *“Serious illness” means an illness involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993.*

Note

Authority cited: Section 69616.6 of the Education Code. Reference: Sections 69616.1, 69616.2, 69616.3, 69616.4, 69616.5 and 69616.7 of the Education Code.

Section 30911. Application to Participate in the Program

A student enrolled in a participating institution shall submit an application to participate in the program to his or her participating institution. The application shall include the following information:

(a) Personal information:

- (1) Last name, first name and middle initial;*
- (2) Social Security number;*
- (3) Address and telephone number;*
- (4) Date of birth;*
- (5) E-mail address, if available;*
- (6) California Registered Nurse License number, if available.*

(b) Eligibility criteria information, which shall include the student's representation that the student:

- (1) is a United States citizen or eligible noncitizen;*
- (2) is a resident of California;*
- (3) is in compliance with Selective Service requirements;*
- (4) does not owe a refund on any state or federal educational grant;*
- (5) does not currently have a delinquent or defaulted student loan.*

(c) Information relating to criteria for being awarded a loan assumption agreement:

(1) Representations that the student:

- (i) is enrolled in an academic program leading to a baccalaureate degree and is accepted to a graduate program in nursing at an accredited college or university, and the name of that college or university; or*
- (ii) has obtained a baccalaureate degree and is accepted to a graduate program in nursing at an accredited college or university, and the name of that college or university; or*
- (iii) is enrolled in a graduate program in nursing at an accredited college or university, and the name of that college or university.*

(2) Student's agreement to:

- (i) maintain satisfactory academic progress; and*
- (ii) teach in a nursing program on a full-time basis at one or more accredited California colleges or universities for at least three consecutive years, or for five consecutive academic years on a part-time basis, immediately after obtaining a graduate degree in nursing education;*

(3) The name of lender, loan identification number(s), and current balance(s) of a loan or loans the student has received, or has been approved to receive, in order to meet the costs of obtaining a graduate degree in nursing, under one or more of the following designated loan programs:

- (i) the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);*
- (ii) the Federal Direct Loan Program (20 U.S.C. Sec. 1087b et seq.);*
- (iii) privately-funded student loans to the student issued through institutions of higher education, or financial institutions or companies, but not including lines of credit, home equity loans, credit card debt, and other general consumer loans, business loans, personal loans, or mortgages.*

(d) The application shall be dated and signed by the student under penalty of perjury under the laws of the State of California.

Note

Authority cited: Section 69616.6 of the Education Code. Reference: Sections 69616.1 and 69616.7 of the Education Code.

Section 30912. Nominations by a Participating Institution

(a) A participating institution may nominate one or more students who have submitted applications to participate in the program by complying with the procedures listed in this section.

(b)) The participating institution may nominate a student satisfying the requirements in this section and in section 30911 by submitting to the Commission the following:

(1) the student's application;

(2) the participating institution's certifications:

(i) that the student is enrolled in, or has been admitted into, a graduate nursing program in which the student will be enrolled on at least a half-time basis, as determined under the academic requirements of the participating institution;

(ii) that the student is making satisfactory academic progress;

(iii) that the student has demonstrated academic ability;

(iv) that it is an accredited college or university; and

(v) of the date the student is expected to receive his or her graduate nursing degree;

(3) the participating institution's determination that the student has demonstrated outstanding ability to become a nursing faculty member, on the basis of the following criteria:

(i) grade point average;

(ii) faculty evaluation of the student's ability to become a nursing faculty member based on the factors used by the participating institution to hire nursing faculty;

(4) the student's grade point average, certified by the participating institution.

(c) Each nomination, including the certifications required by this section, submitted by a participating institution shall be signed by the director of the participating institution's nursing program or designee under penalty of perjury under the laws of the State of California.

Note

Authority cited: Section 69616.6 of the Education Code. Reference: Sections 69616.1, 69616.2, 69616.3 and 69616.7 of the Education Code.

Section 30913. Award Process

(a) The Commission shall select program participants from among the students whose nominations are received by the Commission by May 31 of each academic year and whose nominations and applications are complete. If the maximum allocation of awards is not exhausted after this selection process is completed, the Commission may continue to accept nominations and select program participants based on the date the nominations are received by the Commission. The Commission may continue to make awards until the maximum allocation is satisfied.

(b) Nominated students will be scored and awarded points using the following selection criteria:

(1) *Nominated student's expected date of the award of the graduate nursing degree – points will be awarded according to the length of time remaining until the nominated student is expected to receive the graduate nursing degree, as follows:*

GRADUATE NURSING DEGREE AWARD	POINTS
Completion Within Four Years or Less	20
Completion Within Three Years or Less	30
Completion Within Two Years or Less	40
Completion Within One Year or Less	50

(2) *Nominated student's grade point average in the graduate nursing program – points will be awarded as follows:*

GRADUATE GPA	POINTS
2.99 or Less	0
3.00 - 3.24	10
3.25 – 3.49	15
3.50 – 3.74	20
3.75 – 3.99	25
4.00	30

A nominated student who does not have a grade point average for the graduate nursing program, but has an undergraduate grade point average of at least 3.00 will be awarded 10 points.

(3) *A nominated student with an active RN license issued by the California Board of Registered Nursing will be awarded 20 points.*

(c) *The Commission will select nominees with the highest point totals until the authorized award allocation is exhausted. In the case of a tie in the total number of points, the Commission will select nominees based on the earliest date of receipt of the nomination by the Commission.*

Note

Authority cited: Section 69616.6 of the Education Code. Reference: Sections 69616.5 and 69616.7 of the Education Code.

Section 30914. Loan Assumption Agreements

(a) *The Commission shall provide a loan assumption agreement to each nominated student who has been chosen by the Commission to be a program participant. The loan assumption agreement shall be effective when both the program participant and the Commission have signed the agreement.*

(b) *The loan assumption agreement shall include the following:*

- (1) *The program participant's agreements to*
 - (i) *maintain satisfactory academic progress;*
 - (ii) *be enrolled on at least a half-time basis each academic term;*
 - (iii) *continue to satisfy the requirements in section 30911(b)(1)-(5);*

(iv) teach nursing on a full-time basis at an accredited California college or university for at least three consecutive years, or five consecutive academic years on a part-time basis at one or more accredited California colleges or universities, immediately after obtaining a graduate nursing degree; and

(v) authorize the accredited college or university he or she is attending, employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement.

(2) The Commission shall agree that:

(i) after the program participant has completed one academic year teaching nursing on a full-time basis at an accredited California college or university, or the equivalent on a part-time basis at one or more accredited California colleges or universities, the Commission shall assume, subject to the requirements of section 30915, up to eight thousand three hundred thirty-three dollars (\$8,333) of the outstanding liability of the participant under one or more of the designated loan programs;

(ii) after the program participant has completed two consecutive academic years of teaching nursing on a full-time basis at an accredited California college or university, or the equivalent on a part-time basis at one or more accredited California colleges or universities, the Commission shall assume, subject to the terms of section 30915, up to an additional eight thousand three hundred thirty-three dollars (\$8,333) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to sixteen thousand six hundred sixty-six dollars (\$16,666); and

(iii) after the program participant has completed three consecutive academic years of teaching nursing on a full-time basis at an accredited California college or university, or the equivalent on a part-time basis at one or more accredited California colleges or universities, the Commission shall assume, subject to the terms of section 30915, up to an additional eight thousand three hundred thirty-three dollars (\$8,333) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to twenty-five thousand dollars (\$25,000).

(3) The program participant shall agree to the provisions of section 30916.

(c) The term of the loan assumption agreement shall be no more than 10 years from the date signed by the program participant and the Commission.

(d) The loan assumption agreement shall constitute a conditional warrant that may be redeemed with the Commission as specified in section 30915.

Note

Authority cited: Section 69616.6 of the Education Code. Reference: Sections 69616.3, 69616.6, and 69616.7 of the Education Code.

Section 30915. Loan Payments

(a) A program participant may redeem the conditional warrant and the Commission shall make loan payments, as provided in subsection (c), when:

(1) the program participant has provided documentation certifying that the program participant has received a graduate degree in nursing from an accredited, participating institution;

(2) the program participant has provided the following employment information for each applicable year of employment subject to the loan assumption agreement:

(i) program participant's name and social security number;

(ii) names and addresses of the program participant's employers;

(iii) program participant's signature under penalty of perjury under the laws of the State of California.

(3) the program participant has provided the following employment information from his or her employers for each applicable year of employment subject to the loan participation agreement:

(i) statement that the program participant completed an academic year of teaching nursing on a full-time basis, or, if the program participant is employed on a part-time basis, the percentage of employment as related to full-time, or a statement that the program participant did not complete an academic year of teaching nursing and the reason for not completing the academic year;

(ii) statement indicating whether or not the employer anticipates the program participant will be employed by the employer for the next academic year;

(iii) statement that the employer is an accredited California college or university;

(iv) employer representative's printed or typed name, title, and telephone number;

(v) employer representative's signature under penalty of perjury under the laws of the State of California;

(4) the program participant has provided the following information from each lending institution on the loans subject to the loan assumption agreement:

(i) program participant's name and social security number;

(ii) account number for each loan;

(iii) interest rate for each loan;

(iv) disbursement date for each loan;

(v) payoff amount for each loan as of June 30;

(vi) indication for each loan whether the loan is in default;

(vii) lending institution/servicer name;

(viii) lending institution/servicer eight-digit servicer identification code;

(ix) address for where payment is to be sent;

(x) a signature of the lending institution official under penalty of perjury under the laws of the State of California

(xi) printed name of the lending institution official;

(xii) e-mail address of the lending institution official;

(xiii) telephone number of the lending institution official;

(5) the Commission has determined that the program participant has satisfied the loan payment requirements of the loan assumption agreement.

(b) A program participant who teaches on less than a full-time basis is not eligible for a loan payment until he or she teaches for the equivalent of a full-time academic year.

(c) Loan payments shall be made by lump-sum payment to the lender, to be applied directly to the principal balance. Payments shall first be made toward loans with the highest interest rates. The program participant shall continue to make payments as required under the terms of the loans to avoid defaulting on those loans, until notified by the lenders or loan servicers that the loans are paid in full.

Note

Authority cited: Section 69616.6 of the Education Code. Reference: Sections 69616.1, 69616.2, 69616.3, 69616.4 and 69616.7 of the Education Code.

Section 30916. Failure to Comply with the Loan Assumption Agreement

(a) A program participant who fails to meet the requirements of section 30911(b)(1)-(5) throughout the term of the loan assumption agreement, or who fails to complete a minimum of three consecutive academic years of teaching in nursing at an accredited California college or university on a full-time basis, or five consecutive academic years on a part-time basis, shall repay loan payments previously provided by the program and shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

(b) If a program participant is unable to complete one of the three consecutive academic years of teaching nursing at an accredited California college or university on a full-time basis, or any of the five consecutive academic years on a part-time basis, due to serious illness, pregnancy, or other natural causes, the program participant shall receive a deferral for a period of not to exceed one academic year. This deferral shall be in the form of a delay of one academic year in the program participant's obligation to repay the Commission for loan payments previously provided by the program. The program participant, however, shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

Note

Authority cited: Section 69616.6 of the Education Code. Reference: Sections 69616.4 and 69616.7 of the Education Code.

Section 30917. Development of Projections for Funding Purposes

The Commission shall use program participants' expected dates of graduation and employment dates to project the funding level required to provide loan payments under the program.

Note

Authority cited: Section 69616.6 of the Education Code. Reference: Section 69616.6 of the Education Code.